

Memorandum

City Manager's Office

DATE: May 23, 2001
TO: Mayor and Council
FROM: Shannon L. Wilhelmsen, Government Relations Director (X8401)
THROUGH: Will Manley, City Manager (X8884)
SUBJECT: Goodwill Games 2005

Background

At the April 19, 2001 Issue Review Session, the City Council discussed the Goodwill Games 2005 bid proposal and referred the item to the Community Partnerships Council Committee for further discussion. Following is a synopsis of what occurred at the Council Committee meeting. This item is scheduled for discussion and action at the May 31, 2001 Issue Review Session.

Community Partnerships Committee Discussion

Mr. Mike Sculley, Executive Director of the Maricopa County Sports Commission presented an overview of the Goodwill Games' program and format (See attached DRAFT Community Partnerships Committee minutes, page 1). In addition, Stephanie Nowack, Executive Director of the Tempe Convention and Visitors Bureau presented several financial scenarios to fund the Goodwill Games 2005 (See attached DRAFT Community Partnerships Committee minutes, page 1-2).

Community Partnerships Committee Recommendation / Options

Option 1: City of Tempe serves as a sponsor of the Goodwill Games for \$80,000.

Option 2: City of Tempe hosts Beach Volleyball at Town Lake at a cost of \$160,000 (with a possible \$40,000 additional shortfall** amount). (See attached Option 2 – Municipal Funding Breakdown).

Miscellaneous

Per the Community Partnerships Committee's request, attached is the sample 2005 Goodwill Games Agreement.

Staff followed up with the Tempe Sports Authority and inquired about potential funding support for the Goodwill Games 2005. Monies raised by the Tempe Sports Authority are deposited in a Charitable Trust administered by the Board. These monies are designated to charitable organizations and educational institutions and may not be used by the City of Tempe to supplement the Goodwill Games 2005 funding.

Staff followed up with Mike Sculley, Executive Director of the Maricopa County Sports Commission regarding the TCVB's recommendation to utilize the City's \$15,000 MCSC membership fee to support the Goodwill Games 2005. Mr. Sculley stated that transferring these monies from MCSC to the Goodwill Games 2005 will have a devastating impact on MCSC's operating budget and negatively impact the Commission's ability to function. In the short term, such a budget reduction would effect the Commission's current activities to secure the 2007 Women's Final Four Tournament (Arizona is a finalist) and the National Inline Skating competition.

Please contact me at (480) 350-8401 if you have any questions regarding this issue prior to the May 31, 2001 Issue Review Session. Thank you.

**shortfall in this context refers to the maximum financial liability the City would incur if the Goodwill Games 2005 revenue projections were not satisfied.

Attachments

Cc: Will Manley, City Manager
Mike Sculley, Maricopa County Sports Commission
Stephanie Nowack, Tempe Convention and Visitors Bureau
Mark Richwine, Deputy Community Services Manager – Parks and Recreation
Rich Oesterle, Financial Services Manager

Tempe City Council's
Community Partnerships Committee
DRAFT Minutes – May 9, 2001

DRAFT

Page 2

Tempe City Council's
Community Partnerships Committee
Minutes – May 9, 2001

programs. There is a potential of 5,000 spectators. If there were two people per room, that would equal 2,500 rooms. In terms of estimated revenue, if 20% of those people stayed in Tempe, that would equal 500 rooms for six nights, which would generate 3,000 room nights. With the estimates received from MCSC, they were estimating about \$125 per night. At 3,000 room nights at \$125, that generates \$375,000. From a tax standpoint in Tempe, with the 1.8% sales tax and the 2% bed tax, that equals \$14,250.

Ms. Nowack compared the tourism value for the Goodwill Games to AAU Baseball. This is a group that will be coming to Tempe this summer. For that event, which is only for one week, they are anticipating 2100 room nights at \$125 per room, which would equal \$262,500. The \$262,500 multiplied by the 3.8% bed tax and sales tax, equals \$9,975. The ROI is substantially higher at 249%. Again, this is not to say we shouldn't do the Goodwill Games, but it's simply to get a comparison between the ROI, the Bureau's marketing programs and what we know from a speculation standpoint. From a tourism standpoint, it's a potential for exposure and visibility that would be very good for our community. From a secured dollars and cents standpoint, they haven't been able to come up with the numbers to match the \$300,000 or \$450,000 investment.

Tom Sadler, ASU, stated that he agreed with Ms. Nowack's comments. It is hard to measure the value of the exposure and visibility, but ASU considers this to be extremely positive, not only for ASU but for the athletic department, particularly for the coaching staff. The other positive for ASU is, for example, the funding of the stadium, which is one of the facilities that is currently not on their radar screen for improvements. By October 2002, they would have touched every one of their facilities with the exception of their track and they would have to make some improvements to that for this event. That would be some kind of legacy that would be left behind after this event. In the end, it's about exposure, it's about getting ASU's name out. ASU wants to be a community partner.

Councilmember Arredondo stated that the cost breakdown shows MCSC is asking the City of Tempe for \$450,000. He is fairly certain that the Council will not contribute \$450,000. At this time, Tempe is only being offered Beach Volleyball. ASU is actually hosting all of the other events that are being called "Tempe events." Yet ASU's cost is only \$80,000. The City's cost for one event, possibly two, is \$450,000. We believe it's a good event, but \$450,000 represents a lot of youth and summer programs, etc. for us. We think we should do this, but not for this amount.

Mr. Sculley responded that the list of city contributions has changed. Glendale will be picking up the figure skating, but losing soccer, because that's being moved to the new multi-purpose stadium in Tempe. The cities that have already committed are Phoenix for \$750,000, Chandler for \$160,000, Peoria for \$160,000, and the County for \$300,000. State Tourism has given \$1M instead of \$2M.

Councilmember Arredondo asked if the contract with Turner is cancelled within a year of the event, are all current expenditures refundable 100%?

Mr. Sculley responded yes, within a year. Any later than that and refunds would be on a percentage basis. Refunds of all hard costs are set out in the contract.

Councilmember Copple asked for a copy of the contract for Council. Council needs that before voting on this.

DRAFT

Page 3

Tempe City Council's
Community Partnerships Committee
Minutes – May 9, 2001

Mr. Sculley responded that everyone will have an opportunity to review the final document before signing. But even that will be work-in-progress, too. MCSC will not sign anything that will put anyone else on the hook. That's why they are capping the liability for any municipality so there will not be any drawback to any municipality.

Councilmember Arredondo stated that he would like to hear from the superintendents on this issue.

TUHSU Superintendent Jim Buchanan stated that his district doesn't have a viable opinion on this issue. If something makes good economic sense for the City, then it also makes sense for the school district. He doesn't, however, see a direct benefit to the school children from the Goodwill Games like they do from other city projects, like the Police on Campus, for example.

TD3 Superintendent John Baracy added that it is tough to measure value. He believes as the schools go, so goes the City. The City is changing dramatically in demographics. His school district, which is basically the City of Tempe, is a majority minority school district and it will continue to have great needs. Of the current school population, 25% is limited English-speaking and 50% now qualify for free lunch. Tempe is going to look a lot different in the future. There is a great need in his school district. When he comes to the table with the City of Tempe, he's looking for some type of partnering to ensure that the needs of the changing population are addressed so Tempe can continue to be a vibrant, pro-active leader of the Valley, which it currently is. When he looks at the \$450,000 that would be invested in the Goodwill Games, plus looking at the small amount of tax revenues, he wonders what the added value of this is. Clearly, they will support the City, because staff has a better expertise than they do on whether it benefits all of us. There are other areas he would like to see worked on with those funds.

Kyrene Superintendent Brad Barrett added that his district spreads through three of the communities that are on the list, not just Tempe. He looks at it from the point of view that he thinks we can make a pretty viable case that the schools influence the cities that they serve. He sees the value of getting Tempe's name out because we hitchhike on the reputation of each of the communities. He's excited about the fact that there would be some international exposure.

Councilmember Arredondo asked Mr. Sculley if there is a different number that we could come up with for Tempe's contribution on this.

Mr. Sculley responded that, concerning the schools, he hadn't mentioned that every sport that comes in does a clinic for the youth in that community, so there is some benefit for the school districts and, hopefully, the school districts can sit on the host committees for those sports. That's a good way for the schools to get involved. Also, Turner leaves donations to youth sports in each location where the games have been held, typically about \$1M.

Councilmember Arredondo asked Ms. Wilhelmsen to have this placed on the next IRS agenda. The committee will recommend that the Council consider \$160,000, based on what the other communities are doing. Council could go upward or downward. He asked Councilmember Copple if he would be comfortable

DRAFT

Tempe City Council's
Community Partnerships Committee
Minutes – May 9, 2001

Page 4

with that recommendation. He also added that the contract and the real numbers should be available at that time.

Councilmember Copple clarified that Tempe only has Beach Volleyball here and soccer at the stadium.

Mr. Sculley responded that, if you're viewing it not as ASU, but strictly as the City of Tempe, then it would be the stadium and Beach Volleyball, and that would normally be \$300,000. If Tempe only contributes \$160,000, then it will only have beach volleyball.

Councilmember Arredondo responded that if that's what they want to do, that's ok. He asked Ms. Wilhelmsen to check if the \$15,000 that we normally give to MCSC could be directed to cover part of the City's contribution for the Goodwill Games. He also asked her to see if the Tempe Sports Authority could contribute.

2005 Goodwill Games

Municipal Funding Breakdown

Option 2:

GOODWILL GAMES – ARIZONA

Municipal Funding Breakdown

<u>SOURCE</u>	<u>AMOUNT</u>	<u>SHORTFALL</u>	<u>PMNT</u>	<u>STATUS</u>
State of Arizona	\$1,000,000	\$ 200,000	5 years	Staff Approved
Maricopa County	300,000	75,000	Lump Sum	Staff Approved
City of Phoenix	600,000	150,000	4 years	Council Approved
City of Mesa	450,000	112,500	5 years	Staff App/Cncl 6/1
City of Tempe	160,000	40,000	5 years	Pending
City of Peoria	160,000	40,000	4 years	Council Approved
City of Glendale	160,000	40,000	4 years	Pending
City of Chandler	160,000	40,000	4 years	Pending
City of Scottsdale	80,000	20,000	4 years	Pending
TOTALS	<u>\$3,070,000</u>	<u>\$ 717,500</u>		

2005 Goodwill Games Agreement

2005 GOODWILL GAMES AGREEMENT

THIS 2005 GOODWILL GAMES AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2001, by and between **GOODWILL GAMES, INC.**, a corporation organized and existing under the laws of the State of Georgia ("GWG"), and **HOST CITY ORGANIZING COMMITTEE**, a [description of legal entity] ("HCOC").

WITNESSETH:

WHEREAS, GWG owns and controls all worldwide rights associated with the staging and conduct of an international multi-sport competition and related events known as the "Goodwill Games"; and

WHEREAS, in accordance with all of the terms, conditions, representations, and warranties of this Agreement, HCOC has agreed to serve as the organizing entity for the 2005 Goodwill Games in [Host City, Country] (the "Games") by providing certain facilities and services associated with the preparation and staging of the Games; and

WHEREAS, the purpose of this Agreement is to establish a framework for the preparation, staging and marketing of the Games between the parties.

NOW, THEREFORE, in addition to the above recitals and in consideration of the mutually agreed upon conditions and covenants set forth in this Agreement and the good and valuable consideration contained herein, the receipt and sufficiency of which are expressly acknowledged, the parties hereto agree as follows:

1. Basis Of Agreement

1.1 Grant of Rights. Pursuant to all of the terms and conditions of this Agreement, GWG hereby grants to HCOC, and HCOC hereby accepts, the exclusive right to host and stage the 2005 Goodwill Games in [Host City, Country].

1.2 Operational Plan. Working diligently, GWG and HCOC will jointly develop, mutually agree upon and implement an "Operational Plan" for the Games which will outline in detail all of the requirements, duties, obligations, clearances, approvals, and relevant tasks of GWG, HCOC and all other relevant individuals and groups for the successful operation of the Games, and will include a timeline for completion of tasks and their financial impact. The Operational Plan will be completed no later than one (1) year prior to the scheduled start of the Games. The terms and conditions of the Operational Plan will be subject to and in conformance with the terms and conditions contained in this Agreement and will be incorporated into and form part of this Agreement.

1.3 Sports. The Games will consist of sporting competitions with a "finals only" format in up to seventeen (17) total sports. Confirmed sports include: Athletics (men and women); Basketball (men and women); Boxing (men); Beach Volleyball (men and women); Track Cycling (men and women); Diving (men and women); Figure Skating (men and women); Gymnastics (men and women); Rhythmic Gymnastics (women); Swimming (men and women); Triathlon (men and women); and Trampoline (men and women)(collectively, "Sports" or individually "Sport"). Additions or subtractions to the Sports program shall be mutually agreed upon by GWG and HCOC. The Games are scheduled to take place over twelve (12) days in July/August/September, 2005. GWG, in consultation with HCOC, will develop a final schedule of the dates and times of competition in each of the Sports. The Games will also consist of such ceremonies and associated entertainment events, telecasts, publications and other materials, and other activities as determined by GWG in consultation with HCOC. The Games will feature world class athletes who will participate in the Sports and their "team officials" (coaches, trainers, team leaders and other customary support personnel) as well as all necessary "technical personnel" (judges, referees, and certified technical support).

1.4 Standard of Performance. GWG and HCOC mutually agree to perform all obligations and duties which arise from the Agreement in a highly professional, ethical and diligent manner, consistent with the Olympic movement and at a level customarily established for world class international athletic competitions. To the extent that a specific aspect of a party's commitment for the Games is not clearly or fully described in this Agreement, the parties will use the 1998 and 2001 Goodwill Games as a benchmark to establish such party's obligations and/or standard of performance.

1.5 Structure. GWG will have the dual roles of (i) overseeing HCOC as it carries out its responsibilities described in this Agreement and the Operational Plan, and (ii) performing its obligations described in this Agreement and the Operational Plan. HCOC and its chief executive officer will have a direct and unconditional obligation to maintain continuous contact (including as much as day-to-day if reasonably requested by GWG) with GWG's President (or his designee(s)) to keep GWG fully informed as to its progress under and performance of the Operational Plan and the overall preparation of the Games. In addition, GWG and HCOC will meet and confer with each other regularly and upon reasonable request by either party regarding the coordination and fulfillment of their respective obligations set forth in this Agreement, with each party paying for its own related expenses. HCOC will additionally provide GWG with reports both on a regular basis and as reasonably requested by GWG on the progress of the preparation of the Games. In the event that GWG believes in good faith that HCOC has materially deviated from the terms of the Operational Plan, GWG will have the right to (at HCOC's cost) place GWG personnel on-site in the [Host City] to assist HCOC in correcting any such deviation.

1.6 HCOC Management Personnel. HCOC will assign a dedicated, full time management staff for the purpose of carrying out HCOC's responsibilities as described in this Agreement which will include, without limitation, a Chief Executive Officer, a Competition/Sport manager, a Marketing Manager and an Operations Manager. HCOC may not reassign such management staff without GWG's prior consent, such consent not to be unreasonably withheld.

1.7 Condition Precedent. As a material inducement for GWG to enter into this Agreement, the [Host City Government] has agreed to underwrite and guarantee all of HCOC's obligations under this Agreement as provided herein, in such manner and terms as provided in the "[Host City Government] Performance Guaranty" following the signature lines to this Agreement.

2. General Duties Of HCOC. HCOC agrees to perform each of the following obligations at its expense:

2.1 Competitions. With the consultation and approval of GWG, HCOC will be responsible for planning, organizing, administering and staging world-class competitions of the Sports in each of the respective Sports competition venues (competition venues shall be referred to as "Competition Venues" and practice and training venues shall be referred to as "Training Venues")(Competition Venues and Training Venues may be collectively referred to as "Venues") in accordance with all applicable GWG, International Sports Federation ("IF") and National Federation ("NF") (and other organizations with jurisdiction over a particular Sports competition) rules and regulations. HCOC will be responsible for obtaining all internationally-sanctioned equipment necessary for the world-class sport competitions. The specific equipment will be mutually agreed to by HCOC and GWG, but will include: (i) all timing, measurement, results computation, score/time display equipment used to measure and judge competitions; and (ii) all necessary internationally-sanctioned competition equipment for the world-class sport competitions. HCOC will be responsible for placing corporate sponsor marks on necessary Sports equipment and/or Venues including a light blue tone on the ice for figure skating to provide superior viewing images.

2.2 Awards Ceremonies. With the consultation and approval of GWG, HCOC will: (i) be responsible for coordinating and conducting the awards ceremonies for the Games to be held following the conclusion of each of the Sports; and/or (ii) be responsible for a special awards ceremony developed as part of a daily entertainment program produced by HCOC. During these ceremonies, HCOC will: award medals to the athletes/teams that placed first, second and third in each Sports event (all medals will bear the "look" of the Games and will be produced by HCOC at its expense after approval of all designs by GWG); display each of the athletes/teams

national flag; and play the national anthem of the first place medal winner. HCOC will be responsible for manufacturing the awards platforms, selecting and training the medal bearers and awards teams, and (in conjunction with GWG) selecting the awards presenters. GWG will coordinate all sports celebrities and Turner Broadcasting, Inc. ("TBS") and/or AOL Time Warner, Inc. ("AOL Time Warner") executives who are selected as awards presenters.

2.3 Opening Celebration. With the consultation and approval of GWG, HCOC will be responsible for committing the necessary resources required to produce and stage the opening celebration for the Games. The opening celebration is a major component of the Games, and as such, must be world class and memorable in stature, befitting an elite sports property. HCOC agrees to utilize and employ professional producers and personnel to budget, plan, organize, manage and stage the opening celebration who are experienced in producing an event of this magnitude. HCOC will source and secure local talent for inclusion into the Opening Celebration. Through its consultation, GWG will provide assistance and direction for the theme, look and program. GWG will be responsible for providing headliner entertainment for the opening celebration, as well as secure sports celebrities and TBS and/or AOL Time Warner executives who are selected to appear in the Opening Celebration.

2.4 Closing Celebration. If mutually agreed upon by HCOC and GWG, the parties shall jointly produce, at HCOC's expense, an appropriate, cost-effective program to close the Games.

2.5 Venue Planning and Management.

2.5.1 Approval of Venues. HCOC will be responsible for securing, by no later than February 1, 2004, all necessary world-class competition and training Venues to stage the Sports competitions of the Games, and all Venue selections and substitutions will be subject to the approval of GWG in its sole discretion. Such Venues must meet or exceed all applicable directives, rules and regulations, as amended from time to time, of the IF's and NF's and to all of the terms and conditions of this Agreement. Once selected, HCOC will notify GWG of any material modifications (including damages) to the Venues. With consent of GWG, HCOC may construct and utilize temporary competition facilities and certain temporary modifications at Venues in order to meet GWG and IF/NF standards. HCOC will also secure a number of sufficient Training Venues which will be utilized prior to and during the Games. Upon the conclusion of the Games, HCOC will be responsible for returning all Venues to their original condition. HCOC will develop and share with GWG, at no cost to GWG, CAD drawings and/or diagrams, drawings, schedules and other technical depictions of each Venue, athlete housing sites, support and Training Venues for the Games. These drawings will show all operational components of each Venue including, without limitation, field-of-play, broadcast layouts and positions, press centers, permanent and temporary seating, hospitality centers, athlete and spectator medical centers, athlete locker rooms and warm-up areas, temporary structures, merchandise outlets, ticketing locations and parking areas.

2.5.2 Venue Management. HCOC will provide all customary and necessary support services at the Games Competition Venues including, but not limited to, the following: (i) concessions/food services; (ii) waste management/recycling/provision of toilet facilities; (iii) media centers or subcenters (as applicable); (iv) GWG Hospitality Guest hospitality areas as outlined herein; (v) athlete medical and spectator medical services; (vi) temporary structures (including bleachers, tents and trailers, as necessary); (vii) generator power for necessary areas (e.g., results/timing, working media, PA systems, cooling systems in the hospitality areas, lights for night events, first aid stations, etc.); (viii) maintenance of equipment (including the acquisition, receipt, storage, inventory, distribution, maintenance, recovery, and liquidation associated with such equipment) and utilities service (i.e., all house power and adequate lighting conditions at all Competition Venues, including both existing house lighting and supplemental lighting if necessary to meet Olympic broadcast television standards (and color lighting, as required for certain Sports); (ix) logistics and material handling equipment; (x) sufficient storage space; (xi) athlete amenities such as locker rooms, towel services locker rooms; (xii) ticketing/box office services; (xiii) mutually-agreed office space on-site for HCOC and GWG Competition Venue operations; (xiv) event parking services; and (xv) Competition Venue sound for competition components, anthems, etc. and a Venue-wide PA system. HCOC will develop and implement Venue operational plans which will include

the provision of physical facilities, crisis management/response, and maintenance/repair, and will manage the daily activities of staff, volunteers, and contract personnel. All spectator services will be managed and coordinated with all other operational aspects of each site such as competition, media operations, and broadcast operations.

2.5.3 “Clean” Venues. HCOC will ensure that Venue operators are able to provide a ‘clean’ competition ‘seating bowl’ area (*i.e.*, no non-Games sponsor signage will be seen on camera or by spectators) so that GWG can license exclusive signage rights to its sponsors free of any conflicts with competitive entities. In addition, HCOC will use reasonable efforts to secure ‘clean’ areas outside of the ‘seating bowl’ but within the premises of each Venue so that GWG can license exclusive pouring rights, concession product exclusivities, product sampling, product kiosks, and other marketing rights of sponsors free of any conflicts with competitive sponsors.

2.5.4 Venue Access. All Venues and their “Fields of Play” must be available for training, television and management purposes at least three (3) full days prior to any scheduled competition in any Sport.

2.6 Signage.

2.6.1 HCOC Responsibilities. HCOC will, at HCOC expense and in consultation with GWG, develop, manufacture, install, maintain, recover, store (pre and post event) and liquidate all Games “Look” and “Directional” signage regardless of whether any GWG and/or sponsor signage is affixed. HCOC will include a reasonable amount of space, at its expense, in all Venues and “City/Presence” locations needed for all GWG Sponsors logos applications. HCOC will, prior to liquidation, make provisions for HCOC, GWG and GWG Sponsors to retain reasonable amounts of signage for their own purposes. HCOC and GWG will mutually agree on a plan to place corporate sponsor marks on necessary sports equipment and/or Venues. HCOC will also manufacture, install, maintain, recover, store (pre and post event) and liquidate all Games Hospitality signage to direct all Games Hospitality Guests to the hospitality suites in the Venues, hotels, and other relevant areas.

2.6.2 GWG Responsibilities. GWG will, at GWG expense, develop and manufacture all Games “Corporate” signage and all “Look” signage within GWG-designated Field of Play locations (with the exception of any signage that is designated to HCOC). GWG and HCOC will agree on the terms and responsibilities for the installation, maintenance, recovery, storing (pre- and post-event) and liquidation all Games “Corporate” signage that is the responsibility of GWG.

2.6.3 Other Requirements. GWG will approve the specifications for all Games-related signage in order to ensure quality of materials and consistency. This signage must be implemented, at a minimum, in conformance with the standard set by the 1998 and/or 2000 Games. GWG and HCOC will work together in development of the design and placement of all Look, Corporate and Directional signage in all Venue, Field of Play and City/Presence locations. HCOC will ensure that all signage will be in accordance with all legal and permitting requirements and applicable IF requirements and specifications. HCOC shall also provide GWG with a minimum of seventy-five percent (75%) of primary in-camera signage and sponsor logo placements at all Venues and Fields of Play. GWG shall manage the allocation of all in-camera signage.

2.7 Marketing/Promotions. HCOC will be responsible for marketing and promoting the Games throughout the HCOC regional area. HCOC will develop a comprehensive and integrated marketing plan (*i.e.*, television, radio, newspaper, internet and print) to promote the Games. HCOC will submit this plan to GWG for review and approval prior to implementation. HCOC will review all creative materials prior to production with GWG for its prior approval, such approval not to be unreasonable withheld. HCOC, with assistance of GWG, will organize and promote ancillary Games-related promotional activities in order to drive awareness and enthusiasm for the Games. HCOC further agrees to recognize GWG sponsors and advertisers in all HCOC marketing plans and promotions. GWG sponsors will be responsible for only the production cost related to such placement.

2.8 **Ticket Sales.** HCOC will coordinate and manage all ticket sales for Sports competitions and all events related to the Games and retain all revenue derived therefrom pursuant to a mutually agreed-upon ticket distribution plan for the Games. HCOC's ticket sales program will be designed to sell as many tickets as possible and thereby optimize revenue and maximize attendance, as well as present a competitively priced product mix to generate favorable public and media reviews. The plan will use innovative marketing methods and new technologies, and must be implemented according to GWG's marketing and promotions plan for the Games. HCOC will submit this sales plan to GWG for review and approval prior to implementation. HCOC's ticketing plan will include "seat kill" allotments for television production requirements and for priority complimentary distribution to press, sponsors, athletes, team officials, technical personnel, GWG staff, GWG Hospitality Guests, and other persons as designated by GWG and HCOC, including allotments for any opening and/or closing celebrations. The agreed allocation of complimentary tickets for each Venue will be divided between GWG and HCOC on such basis as the parties hereafter may agree. HCOC further agrees that if specific events do not sell out, HCOC will use best efforts to ensure that each Competition Venue is full of spectators at the time of competition.

2.9 **Press Operations.** HCOC will provide first-class, technologically-superior press operations for the Games. HCOC will be responsible for providing and operating a fully-equipped and centrally-located "Main Press Center" facility and a full service "sub-center" and interview area at all Competition Venues, as well as any related and necessary infrastructure (e.g., telecommunications hardware (phone, fax, modem), restroom facilities, basic food and beverages, work spaces), personnel and support, with the goal of providing high quality conditions of work and related services for all on-site media (print, photographic and electronic) and on-site GWG staff and ensuring that all reasonable informational and access needs of the media are addressed. HCOC will facilitate the distribution of Games' results and other key information to the media by providing a results system or mechanism for results access for the Main Press Center and Venue sub-centers (press centers) and by distributing results, releases and other event information at such locations through an informational distribution network. HCOC will also supply, at its expense, a reasonable number of tabled and non-tabled media seats within each Competition Venue (in such numbers to be mutually agreed by HCOC and GWG). HCOC will provide specific facilities at Competition Venues, including photographers' stands, for optimal photographic camera positions (e.g. "mixed zone"). HCOC will also provide a space for event photo operations headquarters in the Main Press Center. HCOC will hire a qualified photo chief who will oversee all aspects of photo operations (i.e., identifying photo positions; distributing armbands/vests on site; directing hired photographers; and identifying a system by which photographers can process film quickly and conveniently during the Games (at cost to the photographers unless sponsored)). The photo chief will also secure a certified camera repair company on site (e.g., Canon or Nikon), to be provided free of charge to the photographers. HCOC will procure all accessories required for photo operations (e.g., armbands/vests). HCOC will also use reasonable efforts to make available services, such as reasonably priced hotel space and credit card access for domestic and international phone and fax service. HCOC and GWG jointly will extend invitations to the Games to journalists and photographers and issue and determine limits for the number of press credentials, and will jointly determine the terms and conditions governing the access of all accredited press and media representatives. HCOC will provide the media with transportation from housing sites and the Main Press Center to and from Competition Venues and will provide press gifts upon initial accreditation. HCOC will provide Directional and Press Center signage for all Main Press Centers and sub-centers, including backdrops for press conferences and any other Games' "Look" elements.

2.10 **Telecommunications.** HCOC will establish a telecommunications program for the Games which provides telecommunications services and equipment needed by all individuals which HCOC and GWG determine will be authorized to use such equipment (based upon the industry standard for past Games and other international world class events, which has included controllable systems used to block long distance calls) for the following purposes: (i) to provide effective voice, fax/modem and data communications to all Games user groups which link the hotels, Main Press Center, IBC and Venues; and (ii) to provide instantaneous communications where needed. HCOC will install an adequate number (as agreed upon by HCOC and GWG) of phone lines into each Main and sub-press center. HCOC will provide handsets for press phone lines.

2.11 **Timing, Data and Results.** HCOC will establish a timing, data and results system for the Games of

a standard suitable for a world class event that provides real-time data to broadcasters, Games officials, media, athletes, spectators, and other relevant parties. HCOC will provide the necessary technology to ensure that the competition is accurately timed, measured, and scored, and that the on-site, web and exhibition audiences can receive the results in a format that is acceptable to GWG. HCOC's results program must (i) provide such real time sports information to press officials; (ii) provide an interface to international and domestic television feeds for injection of insert graphics into the broadcasts via character generators (iNFiT!s) and multiple displays for the host broadcast production crew; (iii) supply results information to the GWG website (with results appearing within 30 seconds (at a minimum of the results/scores being posted at the Venue); (iv) establish results systems at each Competition Venue for all Sports; and (v) support all on-site media needs at each Competition Venue. All characters generated by the system for interface with the feeds must meet the broadcasts standards of the applicable Turner domestic network which televises the Games. HCOC will be responsible for securing a binding commitment from a vendor to perform all timing, data and results services for the Games, with the selection of such vendor to be pre-approved by GWG. HCOC will provide to GWG for its prior approval all RFP's for the selection of such vendor in order to ensure that GWG is satisfied with the selection of the system and its components (e.g., the commentator systems, character generator capabilities, testing availability). HCOC will compel all bidding companies to submit references and a tape of past work with their bid.

2.12 Information Technology Equipment/Database. HCOC will provide the technology hardware necessary to meet Games systems requirements as mutually agreed upon by HCOC and GWG. Such technology equipment to be produced shall include, without limitation: (i) computers and networking hardware; (ii) software; (iii) laser printers; (iv) copy machines; (v) fax machines; and (vi) mobile and hard-wire voice communications equipment. HCOC will also develop and implement, with the consultation of GWG, a database network system which encompasses all pertinent information for the following areas: athlete registration; accreditation; results, scoring/timing and other areas as mutually agreed upon.

2.13 Accommodations/Meals.

2.13.1 Accommodations. HCOC will be responsible for managing and coordinating "three star" or above hotel accommodations to all athletes, team officials and technical personnel with seventy percent (70%) of the accommodations being double occupancy and the remainder being single occupancy. The minimum stay for these individuals will begin three (3) nights prior to the commencement of their Sport's competition and will conclude the day after such Sport's final competition. HCOC will be responsible for managing and coordinating "three star" or above single occupancy accommodation to all GWG staff and host broadcasters. HCOC will select and secure, by no later than August 1, 2003, one hotel to be the "official Games hotel" which will be situated as near as possible to the major Sports Competition Venues and contain sufficient supplemental space for all operational components of the Games. HCOC will select and secure, by no later than August 1, 2003, hotel selection and reasonably favorable rates for Games-related Hospitality Guests and sponsors, suppliers, licensees, other broadcasters' rights holders and others GWG may designate. HCOC will use best efforts to make available services such as credit card access for domestic and international phone and fax service and other services as mutually agreed upon. GWG will provide accommodations for athletes, team officials and technical personnel at all intermediate stops prior to reaching the [Host City] airport when travel to such point of entry city is not feasible (e.g., due to bad weather).

2.13.2 Meals. HCOC will ensure that all athletes, team officials, technical personnel and GWG staff are provided three (3) quality, nutritious meals each day of the Games in an organized meal setting in each of the hotel properties (or box lunches if necessary), and are provided fruit, other energy sources, and beverages at the Venues and at the athlete lounges at the hotels. In addition, HCOC shall provide Host Broadcasters with three (3) quality, nutritious meals each day of the Games in an organized meal setting at either (i) each of the hotel properties; (ii) the Competition Venues; or (iii) any combination of (i) and (ii), as mutually agreed upon by the parties.

2.14 Hospitality.

2.14.1 Planning/Implementation of Hospitality Program. HCOC will assist GWG in planning and implementing the following components of the hospitality program: (i) hospitality program transportation; (ii) develop, with the approval and consent of GWG, all forms and paperwork necessary to gather any pertinent accreditation information from hospitality program guests (including providing accreditation badges to all hospitality program guests (for access into the venues, hospitality suites and preferred seating areas (at no charge to GWG)); (iii) recruit, select, manage, assign and train volunteers to fill specific skilled and non-skilled positions necessary to implement the hospitality program; and (iv) provide access to first aid and medical care at the venues in the event of an emergency for all GWG Hospitality guests. HCOC will also be financially and logistically responsible for providing space for one or more hospitality suites at each Competition Venue, each of which will be open as follows: at least one hour prior to each competition or ancillary event; throughout each competition or ancillary event; and for at least one-half hour following the completion of each competition or ancillary event, including the nightly awards ceremonies.

2.14.2 Hospitality Suite Requirements. Requirements for each hospitality suite shall include: (i) enclosed space such as an existing room or temporary structure to accommodate all GWG and HCOC Hospitality Guests. This space shall be commensurate with the level of service and scope which is associated with a world class sporting event, which will have adequate space, decorations, lighting, power, flooring and HVAC, will be mutually agreed upon by HCOC and GWG; (ii) tables, chairs, linens, and decorations; (iii) hot and cold buffet food service at each Competition Venue (menu to be mutually agreed); (iv) hot and cold beverages and snack foods, including sponsor product and alcoholic beverages, subject to applicable laws, ordinances, and regulations; (v) if available, an uninterrupted view of the Competition Venue which will include a "patio style" outdoor seating area; (vi) television monitors; (vii) waste removal and custodial service; (viii) dedicated VIP restrooms, either permanent or temporary, within close proximity to VIP hospitality centers - appropriate service will also be included. HCOC and GWG acknowledge that placement of temporary restroom units will depend on topography, exiting venue infrastructure, service capabilities, etc.; (ix) hospitality signage (for example, GWG hospitality suite and premier seating visible from a distance denoting its location, hours of operation at the entrance of the suite and wayfinding strategically placed throughout the Competition Venues, Training Venues and hotels); (x) Competition Venue parking and an intra-Venue transportation system at all Venues, with parking and drop off locations to be the best available at each venue.

2.14.3 Hospitality Guest Hotel. HCOC will select for GWG's consideration and approval, by no later than August 1, 2003, Five Star and/or executive level/VIP hotels in the [Host City] with the lowest possible group rates to serve as the GWG Hospitality Guest hotel. The hotels' room rates for GWG Hospitality Guests will be approved by GWG in its sole discretion, and any commissions paid by the hotel for the use of such rooms will be received by GWG. GWG, as the contracting party, will pay directly all hotel charges for its GWG Hospitality Guests. HCOC will use reasonable efforts to ensure that visitors, participants, media, sponsors, and GWG representatives are charged reasonable prices for food and accommodations while planning for and attending the Games. HCOC will also ensure that all hotels under this section will have the following: (i) office space for GWG sales and marketing staff; (ii) executive office space; (iii) hospitality suites with televisions; and (iv) available signage space for GWG use.

2.15 Security. HCOC will establish a security program which interfaces with local, regional, U.S. and [HOST CITY] law enforcement agencies to provide a level of security that is recommended by such authorities after conducting a threat assessment in order to conduct the Games in a manner that ensures the safety and security of all athletes, team officials, technical personnel, GWG Hospitality Guests, media, spectators, volunteers, staff, etc. and which covers the following three categories: (i) personal security (athletes, team officials, technical personnel, GWG Hospitality Guests, IF/NF officials, Government officials), (ii) security of property (technical and broadcast equipment, communications equipment, cash, ticket stock, food and beverage supplies, competition equipment and clothing), and (iii) security of premises (permanent physical structures (athlete hotels), temporary structures (tents), perimeter access points, ticket booths, Venue, Fields of Play, and broadcast compounds). HCOC or the designated security agency will operate a security command center during the Games for central coordination of all standard security and emergency operations. Said security program will commence upon the

first arrival and setup of broadcast equipment and facilities and conclude after the final removal of broadcast equipment and facilities. HCOC will have a suitable entity (reasonably approved by GWG) conduct criminal background checks (in a scope and manner approved by GWG) for each of the following individuals: all HCOC employees and representatives, contractors with on-site responsibilities, accommodations employees, ground transportation providers, Venue personnel, and volunteers. HCOC, in consultation with GWG, will establish a crisis management plan that includes the immediate notification and decision-making authority of the GWG President and his designee(s).

2.16 Accreditation. HCOC, with the oversight and approval of GWG, will establish an accreditation program which will serve the dual purposes of identifying all pertinent individuals associated with the Games and to control access to/from the venues and other restricted areas, while allowing all Games-related participants with appropriate and sufficient access to allow the unrestricted completion of their particular function. HCOC will develop, with the approval of GWG, all forms and paperwork necessary to gather any pertinent accreditation information from the various individuals. HCOC will provide accreditation badges to all designated individuals. The design of the accreditation badge will be approved in advance by GWG, such approval not to be unreasonably withheld. Each accreditation badge will be designed to identify each individual by name and function, will include a photo of such person, will identify the venues and areas within the venue to which the person must have access to perform their function, and will include a disclaimer prepared by GWG counsel (in consultation with HCOC). HCOC will also obtain and implement computer software systems (of a standard suitable for a world class event) to compile all of the accreditation information in a specialized database (and as well be able to interface with the Timing, Data and Results systems in conjunction with GWG). HCOC will be responsible for providing access control into and within the Competition Venues by establishing areas to be mutually agreed upon by HCOC and GWG in each Competition Venue to be designated with zones and permitting only those with the appropriate corresponding zone notation to enter. HCOC agrees and acknowledges that GWG and its AOL Time Warner-owned affiliates will have priority of access to all Competition Venues and athletes with respect to the access allowed to all other accredited press and media representatives.

2.17 Drug Testing. HCOC shall pay all costs of and shall manage the IF/NF-designated athlete drug testing program of the Games in accordance with the applicable IF/International Olympic Committee ("IOC") procedures and pursuant to paragraph 3.8 herein. The program must include the management, personnel, and supplies sufficient to collect and test the required samples. At all Competition Venues and athlete hotels, HCOC will provide certified drug testing personnel pursuant to such IF/IOC standards. HCOC will provide all required testing-related facilities and implement all necessary control and safety measures, including but not limited to such measures required for accurate sample collection; secured transportation of samples to IOC-accredited or certified labs; and hazardous materials disposal.

2.18 Ground Transportation. HCOC will be responsible for providing a safe, reliable, timely, free-of-charge and secure ground transportation system for all Games participants (athletes, team officials, technical personnel, media, GWG Hospitality Guests, volunteers, GWG/HCOC Games operations staff and Host Broadcasters) during, before and after the Games. GWG will be responsible for GWG Hospitality Guests transportation expenses and HCOC will be responsible for IF and HCOC VIP's expenses. The transportation system will provide ground service from the airport to housing sites, from housing sites to and from Training Venues and Competition Venues, entertainment sites, the IBC, the Main Press Center, and other Games sites. HCOC will also develop programs for airport operations which will include meet and greet arrivals, efficient handling of departures, and assistance with luggage, and will provide ground transportation to/from the [HOST CITY]. HCOC will operate separate motorpools (comprised of sedans, passenger vans, pickup trucks, cargo vans and trucks), shuttles and scheduled charters, will provide vehicle repair, maintenance and substitution to secure an efficient system, will institute re-fueling programs and policies and will establish driver training programs. HCOC will institute a parking credential systems, parking equipment needs and movement schedules, vehicle delivery and recovery system, and a policies and procedures manuals, and as well will manage available parking resources necessary to accommodate the motorpool vehicles. HCOC will ensure that all individual athlete Sport-related equipment can be transported via this transportation system.

2.19 Logistics. HCOC will be responsible for the acquisition, receipt, storage, inventory , distribution,

maintenance, re-supply, recovery, and liquidation of all equipment and supplies to support all competition venues, motor pools, hotels, training center, International Broadcast Center ("IBC"), ancillary sites, the Main Press Center with their individual furniture, equipment and materials needs, including, without limitation, all competition equipment, VIK product, furniture, office supplies, hardware, heavy machinery, office trailers, and tents. The storage facility will be at least 10,000 square feet in size. HCOC will arrange for adequate storage space for GWG equipment delivered on site prior to the Games.

2.20 Medical Services. Immediately prior to, during and immediately after the Games, HCOC will provide quality, certified free-of-charge medical services (routine, emergency and sports-related) to all Games athletes, team officials and technical personnel (with access on an as-needed basis for GWG staff, broadcast personnel, and GWG Hospitality Guests). HCOC must equip and staff medical clinics (open 24 hours per day) at each athlete-housing hotel, and provide on-site medical service at each Competition Venue. HCOC will identify and select a medical facility to provide resources for diagnostic testing, in-patient care, and medical support for the athletes and members of the Games delegation. HCOC must also provide for first aid and emergency care for spectators, volunteers and others at the Venues. HCOC must also arrange for the daily disposal of hazardous materials at all medical clinics. GWG and HCOC will jointly establish an incident and medical reporting procedure for all Games-related incidents/medical treatment.

2.21 Television Broadcast.

2.21.1 IBC. HCOC will be responsible for securing (via purchase, lease or otherwise) a venue with unobstructed sight paths to international satellites for the IBC, the radio and television complex at which the "host broadcaster" will receive and distribute the international radio and television signals generated at the Venues, in a location to be approved by GWG (not to be unreasonably withheld). The IBC will be large enough to satisfactorily accommodate the host broadcaster and all of the rightsholders who desire to have a presence at the Games and will be secured for a period of no less than sixty (60) days prior to the Games and seven (7) days post games. The IBC will have: basic utilities such as water and air conditioning; telephone connections; fax machines; copy machines and related technological equipment; and rest rooms as necessary for commercial use. HCOC will assist GWG as GWG serves as liaison to international telecast rightsholders. HCOC will be responsible for the installation and/or rental of all Vanda lines, T1, ISDN and/or other similar broadcast transmission lines to and from each Competition Venue and the IBC.

2.21.2 Venue. HCOC will provide certain basic requirements to support GWG's television production of the Games at each of the venues including, without limitation, the provision of adequate electrical power and lighting (which meets Olympic broadcasting standards), permanent or temporary office space, dedicated restrooms in reasonable proximity to this space, logistical equipment and services such as furniture and handling equipment, indoor and outdoor space for production facilities, adequate independent scaffolding for camera platform and ample parking for broadcast-related vehicles in areas mutually agreed upon by HCOC and GWG. HCOC will also arrange limited access for broadcast personnel into the venues prior to the Games in order to make necessary modifications (e.g., wiring, camera platform construction), to tape pre-Games reports, and to conduct surveys as needed).

2.22 Volunteers. HCOC will recruit, select, manage, assign and train volunteers to fill specific skilled and non-skilled positions necessary to stage the Sports competitions, ceremonies, venue operations, press centers, hospitality programs, transportation systems and other operations of the Games.

2.23 Uniforms/Gift Packs. HCOC will provide necessary uniforms for all HCOC staff, Games technical personnel and volunteers. HCOC will use its best efforts to procure components of the uniforms from Games sponsors provided that reasonable price points are obtained. HCOC will insist that technical personnel and volunteers wear the uniform at all times when performing assigned duties. HCOC will be responsible for the procurement, inventory control, distribution and delivery of all Games uniforms for full-time and Games-time staff, technical officials, broadcast, sports administration personnel and volunteers. GWG will pay for necessary uniforms for all full-time and Games-time staff, broadcast, and GWG Hospitality Guests. HCOC will also provide

a gift pack (e.g., to include an item indigenous to the [HOST CITY]) to all athletes, team officials and technical personnel.

2.24 Program. If mutually agreed by HCOC and GWG, HCOC will create, publish and sell an official Games souvenir program or viewer's guide of the type which is typically sold at multi-day international sporting events. HCOC shall provide one free page to all joint Games sponsors.

2.25 Governmental Relations. By establishing a relationship with [HOST CITY] customs authorities and regional airport authorities, HCOC will be responsible for ensuring that all athletes and their team officials, technical personnel, GWG Hospitality Guests, GWG staff, sponsors, IF's/NF's, and officials necessary to host the Games are able to receive visas and pass customs in an efficient and expedient manner. HCOC will also solicit the required support for staging the Games from federal, regional and/or local government representatives and agencies in areas such as security, policing, customs, public works, department of transportation, facilities and property use. HCOC will obtain any and all permits, approvals, licenses and other governmental decrees necessary to stage the Games.

3. General Duties Of GWG. GWG agrees to perform each of the following obligations at its expense:

3.1 Athletes/Prize and Performance Money. GWG will be responsible for selecting, inviting and using all reasonable efforts to obtain the participation of a top class field of international athletes (including Olympic and World Champions) and soliciting and ensuring cooperation and participation of all relevant NF's, IF's and related entities. GWG agrees to provide prize and performance money in an amount to be determined by GWG (in consultation with the IF's) in its sole discretion based upon the final program for the Games. GWG will also be responsible for inviting all team officials, technical personnel and other IF/NF representatives as necessary to meet the high standard of the Games.

3.2 Competition. GWG will assist HCOC in planning and staging the Sport competitions by securing the support of the IF's, NF's and other sports organizations which have jurisdiction over the Sport competitions included in the Games.

3.3 Air Transportation. GWG will provide and coordinate coach class air transportation, where necessary, to/from [HOST CITY] for all athletes and their team officials, technical personnel, GWG and AOL Time Warner representatives, GWG Hospitality Guests, GWG staff and broadcaster staff, sponsors, IF/NF representatives, and other officials necessary to host the Games.

3.4 Marketing/Promotions. GWG will be responsible for preparing a comprehensive integrated marketing plan to promote the Games and the telecast of the Games in the U.S. and internationally. GWG's program will include the production and distribution of promotional units which promote both the GWG image and the [HOST CITY]. The exact placement of international print and electronic advertisements, and other advertising through available media, will be determined by GWG in its sole discretion.

3.5 Media. GWG will develop and implement a worldwide media and public relations program for the Games, including oversight of HCOC's media operations for the Games. GWG will provide pre-Games services for the media including, without limitation, dissemination of information on accreditation, accommodations and Games media services prior to and during the Games, dissemination of information about the Games, development and distribution of pre-Games and Games media guides which contain information regarding the Games, and identification and assignment of media seating and photography positions on the field of play. In addition, GWG will authorize and distribute press releases on Games activity, stage press conferences for the media, and stage press functions to promote the Games. HCOC will support, on a local level, the efforts of the GWG media plan, including, without limitation, distributing press releases and information to local outlets and affiliations; disseminating information about the Games; disseminating information regarding accreditation; helping identify press opportunities and plan events to maximize those opportunities. HCOC shall also plan and implement (in conjunction with GWG) press conferences a one (1) year before the start of the Games and six (6) months before the start of the Games to generate awareness and as pre-Games publicity. If provided by the

respective NF's, a press officer from each of the NF's will be assigned to assist with media coordination, operations and services. HCOC and GWG will share photos of Games events which are produced by photographers employed by either party.

3.6 Hospitality. GWG will be responsible for all associated costs of its hospitality program (except as otherwise agreed herein by HCOC). GWG's hospitality program will be managed and operated by GWG and Turner Sports, Inc. ("TSI") hospitality staff. Hospitality packages may include accommodations, meals, functions, receptions, gifts, ground transportation, and priority seating and venue hospitality (provided by HCOC) at all Games sporting events. Such packages will be offered to all Games sponsors, as well as all divisions of TBS and AOL Time Warner. GWG will also handle, at its own expense, the "special needs" of its high level executives and GWG Hospitality Guests, such as limousine service and other special accommodations.

3.7 Broadcast. GWG will either on its own or cause third parties to produce the television feed of the Games for U.S. domestic (U.S., its territories and possessions) telecast over one or more networks controlled by TBS or its affiliated entities, a television feed of the Games for regional and [HOST CITY] broadcast by a licensee to be secured by GWG, and to produce a summary show for worldwide distribution to international rightsholders. GWG will sell the worldwide broadcast rights and telecast sponsorships (including all media, commercial units, on-site rights and signage) to the Games and retain all revenues derived therefrom.

3.8 Drug Testing. GWG will provide oversight to HCOC's management of the athlete drug testing operation of the Games and will coordinate with HCOC all standards regarding the number of tests, IF rules and protocols, and IF medical representation. GWG will consult with all applicable IF's/NF's regarding the procedures for disseminating test results.

3.9 Website. GWG will establish an exclusive Games web site to serve as a communications/marketing program and as an operational arm of the Games. GWG will use best efforts to coordinate with other AOL Time Warner and TBS-affiliated web sites to maximize promotion of the Games and the website. The content and information dissemination related to this website will be mutually coordinated to increase its usefulness, reach and effectiveness. HCOC shall not be permitted to create a separate website for the purposes of promoting, broadcasting, or otherwise disseminating Games-related content.

3.10 Office Space. HCOC must provide GWG free office space (up to 2000 square feet, if requested by GWG) for a period of six (6) months prior to and during the Games. GWG and HCOC will establish command centers at all of the Competition Venues to be used by all GWG/HCOC Games operations personnel immediately prior to, after and during the Games.

4. Other Obligations

4.1 Sponsorships.

4.1.1 Worldwide Sponsors GWG will retain the sole and exclusive right to develop a worldwide program of exclusive sponsors for the Games. To further this effort, GWG will establish integrated corporate sponsor programs which may include media, hospitality, signage (telecast, virtual and Venue (inside and outside)), entertainment, tickets, rights to use the Symbols, right to official designation as sponsor, and other benefits.

4.1.2 Local Sponsors. GWG will allow HCOC to secure local sponsors which do not conflict with GWG's sponsors and to sell sponsorship assets (e.g., use of Symbols, venue signage) to such sponsors, all with GWG's prior written approval (not to be unreasonably withheld) as to the identity of such sponsors and its products/services, the sponsorship assets being sold, and the content and manner of any uses of the Symbols or the "Secondary Symbols" (as hereinafter defined).

4.1.3 HCOC Duties. HCOC will cooperate with GWG in assisting GWG to fulfill its obligations to its sponsors, including without limitation by (i) securing "clean" seating bowl areas within

the competition venues so that GWG can provide venue signage within camera view to sponsors, (ii) arranging hospitality suites at venues, (iii) assisting in arranging for the availability of accommodations, (iv) setting aside priority ticket allocations, both complimentary and for purchase, (v) manufacturing, installing and recovering sponsor signage, and (vi) such other reasonable requests as necessary by GWG. HCOC will assist GWG in attempting to limit and/or cease any "ambush" or "parasite" marketing campaigns which are adverse to Games sponsors.

4.1.4 GWG Duties. GWG, in consultation with HCOC, will establish a joint sponsorship plan for the purpose of combining sponsorship assets of GWG and HCOC in order to jointly market certain sponsorship categories in a mutually agreed upon time frame. GWG will be responsible for providing its assets and HCOC will provide its assets. Each party will be compensated according to the value of each of its assets. GWG and HCOC will establish a plan to service the integrated sponsor/supplier programs.

4.2 Merchandise/Premiums. HCOC and GWG will jointly design merchandise/premiums bearing the Symbols for marketing, promotion and sponsorship of the Games. Once the design of such merchandise/premiums is approved by GWG, the parties will have the right to each produce, license, promote, warehouse and sell official Games merchandise, and produce premiums for marketing, promotion and sponsorship of the Games, of the type which is typically sold at multi-day international sporting events. GWG will have the right to approve, at all stages of production, all premiums and all items of merchandise to be distributed by HCOC, and HCOC agrees that it will not sell any merchandise or distribute any premium, or authorize or allow the sale of any merchandise or distribution of any premium, without receiving the prior written approval of GWG in each case, such approval not to be unreasonably withheld. GWG will have the right from time to time to conduct examinations of any items bearing the Symbols, and HCOC agrees to furnish to GWG party upon request a sample of any such item. HCOC will sell GWG merchandise at all Competition Venues and throughout the Local Territory and will retain all revenues derived therefrom. HCOC (or its designees) will sell the merchandise in other areas outside the Local Territory, and the parties will share such revenues in a manner to be mutually agreed. GWG may sell Games merchandise outside of the Local Territory and on its official website and other AOL Time Warner or affiliated websites and will retain all revenues derived therefrom. HCOC agrees to include all GWG sponsor product/services (if applicable) in its merchandising program.

4.3 Symbol Rights and Marketing Rights. GWG owns all "Symbols" of the Games including, without limitation, its name, taglines, marks, emblems, logos, graphics, any "official" sponsor designations, and other Games-related intellectual property. GWG will be exclusively responsible for licensing the use of the GWG Symbols to third parties (including, without limitation, in broadcast opportunities, venue signage, product rights and/or promotional uses) and will retain all revenues derived from such third party uses, unless otherwise agreed herein. HCOC will have no right to create its own marks, logos or other intellectual property related to GWG or the Games without the approval of GWG, as determined in its sole discretion. GWG hereby grants HCOC a limited license to use the Symbols solely in connection with HCOC's sponsorship and merchandise programs and with its marketing and promotion of the Games as provided in this Agreement, subject to GWG's right of prior approval (in its sole discretion) for all such uses of the Symbols. This license will terminate as of the conclusion of the Games, unless additional uses are approved by GWG on a case-by-case basis. HCOC will provide to GWG examples of each type of proposed usage of the Symbols for GWG's prior approval thereof. GWG's normal approval time will be seven to ten days, though GWG will use reasonable efforts to expedite the approval process. The GWG Symbols must always be used in their and without infringement or alteration. HCOC may only assign, pass through or sublicense the use of the Symbols to third parties (e.g., its local sponsors) if it receives the prior, written consent of GWG in each case. GWG will obtain and maintain the legal protection of the Symbols in the United States, including any required trademark registrations or other filings.

4.4 Event Symbol. It is agreed that GWG and HCOC will jointly develop an event logo (the "Secondary Symbol"), at HCOC's cost (unless developed by Turner Sports Design) to be used to promote the Games, with such Secondary Symbol to be owned and controlled by GWG. GWG hereby grants HCOC a limited license to use the Secondary Symbol in connection with HCOC's sponsorship and merchandise programs and with its marketing and promotion of the Games as provided in this Agreement, subject to GWG's right of prior approval (in its sole discretion) for all such uses of the Secondary Symbol. This license will terminate as of the conclusion

of the Games, unless additional uses are approved by GWG on a case-by-case basis. The Secondary Symbol may not be used without the official Games logo; the relationship between the two (*i.e.*, relative size, placement, purpose) will be established by GWG in consultation with HCOC. Any and all Games-related logos shall be the property of GWG.

5. Revenue Sharing. GWG and HCOC agree that each party will be allowed to retain in full all proceeds derived from certain Games-related revenue streams, to be divided as follows:

5.1 HCOC Revenue Retention. HCOC will retain all revenues derived from: (i) its Games-related local sponsorship opportunities (as described in Section 4.1) and any joint GWG/HCOC marketing program; (ii) any governmental and/or public agency support; (iii) GWG's licensing of local **[HOST CITY]** or regional television exhibition rights; (iv) all ticket sales of all Games competitions and HCOC-organized ancillary events; (v) all other Competition Venue revenues, including food and beverage concessions; (vi) all merchandise sold by HCOC within the Local Territory, as well as ninety percent (90%) of the revenues derived from merchandise which it sells outside the Local Territory;

5.2 GWG Revenue Retention. GWG will retain all revenues derived from: (i) its U.S. and international Games-related sponsorship opportunities (as described in Section 4.1); (ii) its licensing of all U.S. and international exhibition rights (including, but not limited to, television, broadband and internet); (iii) all merchandise sold by GWG outside of the Local Territory and over its official web site, as well as ten percent (10%) of the revenues derived from merchandise which HCOC sells outside the Local Territory; and (iv) other income sources as developed by GWG.

6. Press Releases. The parties agree and understand that any and all communications with local, national and international media will be carefully coordinated by the parties to ensure that the information to be disseminated is accurate and so that a consistent, positive image is always projected. Therefore, the parties agree that they will notify and consult with the other party prior to making any prepared public statements about either the Games or the other party. As the Games draw closer, the parties will review this policy and work together to ensure that both parties are able to efficiently and diligently present information to the media.

7. Reservation of Rights. Any and all other rights to the Games not otherwise specifically granted to HCOC pursuant to this Agreement, including without limitation all retail and premium licensing rights, publishing rights, official film rights, video rights, music rights and other such rights will be expressly reserved by GWG, which may exercise those rights at any and all times in any and all media, now known or hereafter devised.

8. Ownership Of Games

8.1 Ownership by GWG. HCOC acknowledges that the Games are the exclusive property of GWG and that GWG owns all rights related to the Games including, without limitation, their organization, exploitation, broadcasting, marketing and reproduction by any means whatsoever. Subject to the terms of this Agreement, GWG may assign, license or otherwise convey all or any part of such rights to HCOC or to other parties at its sole discretion.

8.2 Media Rights. As between the parties hereto, GWG will own all worldwide media rights of any kind and/or nature to the Games including, but not limited to, all television rights via any method, or combination of methods, for the transmission and reception of television signals whether now known or hereafter developed, internet and broadband rights, copyrights, trademarks and all other intellectual property related to the Games, radio rights, film cassette, home video, disc, record, and motion picture, documentary and live theatrical performance rights with regard to the Games. As between GWG and HCOC, GWG will exclusively own all copyrights in any telecast or other fixation of the Games as a "work made for hire," it being understood that in the event any applicable jurisdiction does not recognize the "work for hire" doctrine, HCOC, on its behalf and on behalf of any affiliates, successors, or persons or entities controlled by it, hereby assigns to GWG in perpetuity throughout the world, all interest in the copyrights of the telecast or other fixation of the Games. GWG may license to third parties the exercise of any or all of their respective media rights described in this subsection.

9. Force Majeure. Neither party will be obligated to perform hereunder and neither party will be deemed to be in default if its performance ability to furnish services is prevented or made to be commercially impractical by (i) fire, earthquake, tornado, flood, act of God, riot, civil commotion, strike, labor lock out, or other occurrence or condition of a like nature; or (ii) any law, ordinance, rule, regulation or order of any public or military authority or (iii) any circumstances whatsoever outside the control of either party. Any party claiming protection under this Section will give written notice to the other of such claim promptly upon the commencement of such impracticability and such party agrees thereafter to resume its performance under this Agreement immediately following the conclusion of the event which gave rise to the suspension thereof pursuant hereto. For avoidance of doubt, any action, regulation, directive, law, statute, legislation, or any other exercise of any kind power or authority of [HOST CITY] will be specifically and intentionally excluded from the terms of this Section, as such exercise will not be considered an event of force majeure since any such actions would be in the direct control of [HOST CITY]. In the event of a strike, lock out, or labor dispute of any kind involving employees or representatives of HCOC or any of its affiliates or contractors, HCOC nevertheless will provide all of the services as required by this Agreement.

10. Termination.

10.1 For Cause. In the event that (i) either party breaches any material provision or representation of this Agreement and, if curable, such material breach remains unremedied for a period of thirty (30) days following receipt of written notice thereof; or (ii) either party is adjudicated as bankrupt, becomes insolvent, makes an assignment for the benefit of its creditors or has a trustee appointed to manage its affairs, which assignment or appointment is not vacated within thirty (30) days, then the other party may terminate this Agreement effective immediately. Such termination will be in addition to all other rights and remedies that the nonbreaching party may have whether hereunder or at law or in equity, it being agreed that all rights and remedies whether expressed herein or arising hereunder are cumulative.

10.2 For Abandonment of Games. In the event that GWG decides in its sole discretion to "abandon" the Goodwill Games (i.e., to cancel the 2005 Games and any subsequent Goodwill Games within the foreseeable future) for any reason at any time before February 1, 2004, it may terminate this Agreement by providing HCOC with written notice on or before February 1, 2004. In such case, GWG agrees to reimburse HCOC for all of its actual, direct, verifiable out-of-pocket expenses. Such reimbursables will not include any expenses related to: (i) HCOC's bid for the Games, (ii) any venue, city, street, entrance, sidewalk or other infrastructure improvements, and (iii) any expenses for any equipment/services/personnel not directly related to the performance of HCOC's services pursuant to this Agreement. HCOC will be obligated to substantiate all expenses with written documentation prepared in accordance with generally accepted accounting principles, and HCOC's books and records which substantiate such reimbursables will be subject to audit by GWG or its outside accounting firm. This reimbursement will be HCOC's sole and exclusive remedy and recourse against GWG or the GWG Indemnified Parties under this Agreement or otherwise.

10.3 No Waiver. The failure of either party hereto to seek redress for the violation of or to insist upon strict performance of any provision of this Agreement will not prevent or dilute such party's right to insist later upon the performance of the same or a similar provision or to have redress for the same or a similar violation, regardless of such party's prior knowledge or lack of knowledge thereof.

10.4 No Consequential Damages. GWG will not be liable to HCOC or to any other related or affiliated person or entity, under any circumstances or due to any event whatsoever, for consequential or indirect damages, including, without limitation, loss of profit, loss of use or business stoppage.

11. Representations and Warranties. Each party hereby represents and warrants to the other party that: (i) it has the full power, authority, ability and legal right to execute and deliver this Agreement and to perform all of its obligations hereunder; (ii) this Agreement constitutes the legal, valid and fully binding obligation of such party and is enforceable in accordance with its terms; (iii) the execution, delivery and performance of this Agreement have been consented to and authorized by all individuals or entities required to consent to and authorize the same,

will not contravene any law, regulation, judgment or decree applicable to it, and will not cause or result in a breach of or default under any other agreement, contract or understanding to which it is a party; (iv) there are no pending claims or litigation which would or might interfere with the performance of its obligations under this Agreement; and (v) it will perform all obligations in accordance with, and will not violate, all Applicable Laws and applicable directives, rules and regulations of the IF's and NF's and to all of the terms and conditions of this Agreement. If at any time during the Term of the Agreement a party becomes aware of any fact or circumstance which could materially affect its business, assets or financial condition or which could adversely affect its reputation, integrity, standing and/or ability to perform its obligations under the Agreement, such party will promptly inform the other party of such fact or circumstance in writing.

12. Indemnification.

12.1 HCOC Indemnification of GWG. To the fullest extent permitted by law, HCOC will protect, indemnify, defend and hold harmless AOL Time Warner, GWG, TBS, their respective parent, subsidiary and affiliated companies, and each of their respective past and present officers, directors, shareholders, agents and employees (collectively, "GWG Indemnified Parties") from and against any and all claims, actions, suits, proceedings, judgments, settlements, demands, damages, liabilities, losses or expenses, including, but not limited to, reasonable attorneys fees (collectively, "Claims"), caused by, resulting from or in connection with (i) the breach of any obligation of HCOC by any "HCOC Indemnified Party" (as hereinafter defined) pursuant to this Agreement; (ii) any negligent or grossly negligent action, inaction, omission or intentional misconduct of any HCOC Indemnified Party; and (iii) any conduct or activities of any HCOC Indemnified Party which violates any applicable international, U.S., state and/or local [HOST CITY] laws, rules, regulations, or ordinances ("Applicable Laws") or which results in an infringement of any patent, copyright or other intellectual rights of any third party. The aforementioned indemnity provision does not apply to the extent that any "Claim" results from the gross negligence or recklessness of GWG. HCOC's indemnification obligations under this Section are in no way limited to the amounts of insurance required under this Agreement.

12.2 GWG Indemnification of HCOC. To the fullest extent permitted by law, GWG agrees to indemnify, defend and hold harmless HCOC, its directors, officers, shareholders, agents, and employees (the "HCOC Indemnified Parties"), against any and all Claims caused by or resulting from (i) the breach of any obligation of GWG, its employees, representatives and/or agents; (ii) any negligent or grossly negligent action, inaction, omission or intentional misconduct of GWG; and (iii) any conduct or activities of GWG which violates any Applicable Laws or which results in an infringement of any patent, copyright or other intellectual rights of any third party, except that GWG will not have an obligation to indemnify HCOC for those Claims caused by the gross negligence or recklessness of HCOC. GWG's indemnification obligations under this Section are in no way limited to the amounts of insurance required under this Agreement.

13. Risk Management and Insurance.

13.1 HCOC Provided Insurance. For the duration of the Games, HCOC will provide and maintain, at no cost to GWG, the policies of insurance set forth hereinafter which will protect HCOC and GWG on a primary basis from any and all claims, damages, liabilities, losses, or expenses caused by, resulting from or arising out of the performance of the services and/or responsibilities by HCOC pursuant to this Agreement:

13.1.1 Commercial General Liability Insurance. Limits of not less than \$1,000,000 each occurrence and \$3,000,000 in the aggregate. Such insurance will include coverage for contractual liability (applying to the terms and conditions of the Agreement), products-completed operations, personal and advertising injury, participant legal liability, premises damage legal liability, fireworks liability, liquor liability, contingent malpractice liability, property damage and bodily injury liability (including death).

13.1.2 Automobile Liability Insurance. For liability arising out of HCOC's use, maintenance or operation of any auto (including owned, hired, and non-owned vehicles), limits shall not be less than \$1,000,000 each accident, combined single limit for bodily injury and property damage.

13.1.3 Workers' Compensation Insurance. This insurance must cover HCOC's employees, staff and Games volunteers who are engaged in or performing services in connection with the Agreement. Such insurance will provide coverage limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit.

13.1.4 Umbrella and/or Excess Liability Insurance. Limits must not be less than \$10,000,000 each occurrence and \$20,000,000 in the aggregate and will apply in excess of the Commercial General Liability, Automobile Liability and Employer's Liability policy limits listed above.

13.1.5 Accident Medical and Accidental Death & Dismemberment Insurance. This insurance must cover all athletes, coaches and officials who are invited to participate in the Games. Such insurance will provide coverage with limits of not less than \$500,000 per participant for Accident Medical coverage and \$100,000 per participant for AD&D coverage.

13.1.6 Deductibles and Endorsements. HCOC will bear all costs of all deductibles and will remain solely and fully liable for the full amount of any claim, damage, liability, loss or expense not compensated by insurance. Policies listed in paragraph 13.1.1, 13.1.2, 13.1.4, and 13.1.5, above, will be endorsed to name the GWG Indemnified Parties as a Additional Insureds. Upon execution of this Agreement and prior to the beginning of the performance of any services and/or activities under this Agreement, HCOC will furnish GWG with a certificate(s) of insurance certifying that the appropriate insurance coverages are in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

13.2 HCOC Vendor Insurance/Indemnity: HCOC will require all vendors, suppliers and other contractors ("Contractors") who perform services for HCOC relating to the Games to agree in writing to the following requirements:

13.2.1 Insurance Requirements.

(i) Contractor is to provide and maintain, at no cost to HCOC or GWG, the appropriate policies and limits of insurance as determined by HCOC and its insurance broker. The Contractor provided insurance will be primary with respect to any and all claims, damages, liabilities, losses, or expenses arising out of or in connection with the services or equipment to be provided by Contractor pursuant to its agreement with HCOC.

(ii) Contractor is to provide primary and non-contributory insurance, written by insurance companies with A.M. Best ratings acceptable to HCOC and its insurance broker. All applicable policies will be endorsed to name the HCOC Indemnified Parties and the GWG Indemnified Parties as additional insureds.

(iii) All Contractor provided insurance policies will state that the coverage thereunder may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to HCOC.

(iv) Upon execution of the agreement and prior to the beginning of the performance of any services and/or activities under the agreement, Contractor will provide HCOC with a certificate(s) of insurance certifying that the appropriate insurance coverages are in place and that the policies have been properly endorsed to meet the insurance requirements as set forth in its agreement with HCOC.

13.2.2 Indemnification/Release of Liability. Specify that to the fullest extent permitted by law, Contractor agrees to protect, indemnify, defend and hold harmless the HCOC Indemnified Parties and the GWG Indemnified Parties from and against any and all Claims caused by, resulting from, arising out of or

in connection with the performance of the services by Contractor pursuant to its agreement with HCOC.

13.3 GWG Provided Insurance. For the duration of the Games, GWG will provide and maintain, at no cost to HCOC, the policies of insurance set forth hereinafter which will protect GWG and HCOC on a primary basis from any and all claims, damages, liabilities, losses, or expenses caused by, resulting from or arising out of the performance of the services and/or responsibilities by GWG pursuant to the Agreement:

13.3.1 Commercial General Liability Insurance. Limits shall not be less than \$1,000,000 each occurrence and \$3,000,000 in the aggregate. Such insurance will include coverage for contractual liability (applying to the terms and conditions of the Agreement), products-completed operations, personal and advertising injury, participant legal liability, premises damage legal liability, contingent fireworks liability, contingent liquor liability, contingent malpractice liability, property damage and bodily injury liability (including death).

13.3.2 Workers' Compensation Insurance. This insurance shall cover GWG employees and staff who are engaged in or performing the responsibilities of GWG pursuant to this Agreement. Such insurance will provide coverage limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit.

13.3.3 Umbrella and/or Excess Liability Insurance. This insurance shall have limits of not less than \$10,000,000 each occurrence and \$20,000,000 in the aggregate which will apply in excess of the Commercial General Liability and Employer's Liability policy limits.

13.3.4 Deductibles and Endorsements. GWG will bear all costs of all deductibles and will remain solely and fully liable for the full amount of any claim, damage, liability, loss or expense not compensated by insurance. Policies noted in paragraph 13.3.1 and 13.3.3, above, will be endorsed to name HCOC as an Additional Insured. Upon execution of this Agreement and prior to the beginning of the performance of any services and/or activities under this Agreement, GWG will furnish HCOC with a certificate(s) of insurance certifying that the appropriate insurance coverages are in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

13.4 Mutual Risk Management Responsibilities. GWG and HCOC will be mutually responsible for: (i) conducting safety and loss control surveys and inspections at all venues and Games locations; (ii) establishing standard incident and claims reporting procedures for use during the Games; (iii) establishing standard incident and first aid reports for use during the Games; (iv) establishing an on-site accident investigation and claims management unit; (v) establishing a Crisis Management Plan based on the GWG model from the 1998 and 2001 Games for implementation during crisis situations such as weather emergencies, power failures, security threats, athlete incidents and any other potential situations that might cause delay, postponement or cancellation of an event.

13.5 Insurance Generally. All such insurance required in any paragraph, above, will be primary and non-contributory, written by insurance companies with A.M. Best ratings of "A/VIII" or better in the latest edition of Best's Insurance Guide and Key Ratings. Such insurance policies will provide that the coverage thereunder may not be materially changed, reduced or cancelled unless thirty (30) days prior written notice thereof is furnished to the other party. It is hereby agreed and understood that the insurance requirements set forth above will not be construed as in any manner waiving, restricting or limiting the liability of either party with respect to obligations imposed under this Agreement, including, but not limited to, obligations imposed under the Indemnification provisions of the Agreement.

14. Confidentiality. The parties agree and understand that the terms and conditions of this Agreement are confidential and neither party may disclose any terms or conditions of this Agreement to any third party without first obtaining the prior written consent of the other party, except as may be required by Applicable Law as ordered by a court of competent jurisdiction.

15. Assignment. Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party; provided, however, that notwithstanding the foregoing, the designation by HCOC of a third party to perform certain of its obligations hereunder on its behalf which has been pre-approved by GWG will not be deemed an assignment hereof by HCOC and, provided further, that GWG will have the right to assign this Agreement and/or any of its rights or obligations hereunder to any party controlling, controlled by or under common control with it. Any attempted assignment without consent as required herein will be null and void and of no effect.

16. Separate Entities. HCOC, in the performance of this Agreement, will be acting in its own separate capacity and not as an agent, employee, partner, joint venturer or associate of GWG. It is expressly understood and agreed that HCOC is an independent contractor of GWG in all manners and respects and that HCOC will not have the authority to contractually bind GWG or establish any policies or procedures of GWG without the express, written approval of the President of GWG (or his designee) in his sole discretion, and HCOC agrees that it will not represent that it has such authority or knowingly allow a third party to believe or conclude it has such authority. HCOC will be solely responsible for all of the payroll taxes, workers' compensation insurance, and other employment expenses of its personnel. HCOC further agrees to pay the full amount of any and all other taxes or charges imposed against HCOC with regard to the performance of its obligations or the execution of this Agreement by any Applicable Law now in effect or hereafter enacted.

17. Amendments. GWG and HCOC acknowledge that issues not covered herein may arise from time to time affecting their respective rights or duties under this Agreement. GWG and HCOC agree that, upon the request of either of them, they will negotiate in good faith to resolve any such issues and by mutual agreement modify or supplement this Agreement in writing. This Agreement may not be amended or supplemented except pursuant to a writing duly executed by GWG and HCOC.

18. Term. The term of this Agreement will be from the execution hereof by both parties through December 31, 2005 (unless earlier terminated pursuant to the terms of this Agreement); provided, however, that any obligations of the parties hereunder which require performance beyond December 31, 2005 will survive until performed or excused in writing by the other party and, provided further, that any rights of the parties which extend beyond December 31, 2005, will also survive the termination of this Agreement.

19. Mandatory Relief. It is agreed that the services to be rendered by HCOC under the terms of this Agreement are of a unique, unusual, special and extraordinary nature, and of a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in any action at law, and that a breach by HCOC will cause GWG great and irreparable injury and damage. It is agreed that GWG, in addition to any other remedies, will be entitled to injunctive and other equitable relief (including without limitation a temporary restraining order and/or a preliminary injunction) to prevent a breach of this Agreement by HCOC and to require HCOC to provide its services to GWG for the Games. Therefore, HCOC agrees that GWG may obtain mandatory injunctive relief and specific performance of this Agreement in any court of competent jurisdiction in the event of a material breach or threatened material breach by HCOC.

20. Disputes. Except as provided under Section 19, all claims, disputes and other matters in question between the parties arising out of, or relating to, this Agreement (all "disputes") will initially be submitted to an impartial mediator ("Mediator") selected jointly by the parties. Both parties (at their cost) will attend a mediation conference in Atlanta and attempt to resolve any and all disputes. If they are not able to resolve all disputes, any unresolved disputes will be determined by final and binding arbitration in Atlanta, Georgia in accordance with the rules of the American Arbitration Association ("Rules"), by an experienced arbitrator from a neutral locale who has substantial experience and recognized expertise in the matters which pertain to this Agreement. The arbitrator will be selected by alternate striking from a list of six arbitrators, half of which will be supplied by GWG and half by HCOC. The party not initiating the arbitration will strike first. The process will be repeated twice until an arbitrator is selected. If an arbitrator is still not selected, the Mediator will be asked to select the arbitrator. Either party may give notice to the other party and to the arbitrator of a request for arbitration, and within thirty (30) days following the notice, arbitration will commence, and the arbitrator will make his decision regarding the dispute

within ten (10) days following the close of the arbitration record unless the arbitrator determines that additional time is necessary. In the event of any conflict between the aforesaid Rules and the arbitration provisions set forth in this Section, the arbitration provisions of this Agreement will control. The decision of the arbitrator in the matter will be final and binding on the parties, and judgment may be entered upon it by the prevailing party in accordance with Applicable Law in the federal and state courts in the State of Georgia. Any notice to invoke arbitration will be made within a reasonable time after the dispute has arisen, and in no event will it be made after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations. To assure that all disputes between the parties arising from this Agreement are resolved in a manner which is least disruptive to the conduct of the Games, the parties agree, to the extent possible, to continue their performance of this Agreement during any arbitration proceedings, and to cooperate in expediting such proceedings. HCOC for and on behalf of itself hereby waives any right it may have or hereafter may have to claim immunity from arbitration or the enforcement of any arbitration award by virtue of the sovereign immunity doctrine or any other claim or doctrine which may be invoked by it to provide such immunity. Each party will pay the fees of their respective attorneys (except as otherwise awarded by the arbitrator), the expenses of their witnesses and any other expenses connected with presenting their dispute or defense. Other costs of the arbitration, including the fees of the Mediator, the arbitrator, the cost of any record or transcript of the arbitration, administrative fees, and other fees and costs, will be borne equally by the parties.

21. Severability/Further Acts. If any provision of this Agreement, or any part thereof, at any time is held to be invalid, in whole or in part, under any Applicable Law, ruling or regulation by a court of competent jurisdiction, or by an administrative agency of the federal, state or local government of the U.S., then such provision or portion thereof, as appropriate, will remain in effect only to the extent permitted, and the remaining provisions hereof will remain in full force and effect and in no way will be affected, impaired or invalidated. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

22. Integration/Counterparts. This Agreement contains the entire agreement of the parties hereto. No promise, representation warranty or covenant not included in this Agreement has been or is being relied upon by either party hereto. Each party has relied or is relying on its own examination of this Agreement, the counsel of its own advisors and the warranties, representations, duties and covenants contained in this Agreement itself. This Agreement incorporates all agreements between the parties concerning the Games and supersedes any other oral or written representations or agreements prior to the date of this Agreement. Should any of the provisions of this Agreement require judicial interpretation, the court interpreting or construing the same will not apply a presumption that the terms hereof will be construed more strictly against one party by reason of the rule of construction that a document is to be construed more strictly against the party which itself or through its agents prepared the same, it being agreed that the agents of both parties hereto have participated in the preparation hereof. This Agreement may be executed in multiple counterparts (facsimile accepted), which taken as a whole will be considered a binding contract between GWG and HCOC. The parties agree that there will be no final and binding agreement between the parties unless and until this Agreement is executed and delivered by both parties.

23. Notices. All notices or other communications required hereunder will be given in writing and delivered by (i) hand delivery or by telecopy (with confirmation of receipt) and will be effective on the date sent, (ii) by courier service (e.g., Federal Express, DHL, etc.) and will be effective on the fifth business day after the date sent to the following addresses or such other addresses as either party may supply to the other by written notice:

to GWG: Goodwill Games, Inc.
 One CNN Center
 Box 105366
 Atlanta, Georgia 30348-5366
 Telecopy No: 404-827-1394
 Attention: President
 General Counsel

to HCOC:

24. Governing Law/Jurisdiction. This Agreement will be governed by and interpreted under the laws of the State of Georgia, USA.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

GOODWILL GAMES, INC.

By: _____
Its: _____

[[HOST CITY]]

By: _____
Its: _____

[HOST CITY GOVERNMENT ENTITY] PERFORMANCE GUARANTY

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and as a material inducement to Goodwill Games, Inc. ("GWG") to enter into that certain 2005 Goodwill Games Agreement by and between GWG and The Host City Organizing Committee ("HCOC") dated as of _____, 2001 (the "Agreement"), the [Host City Government Entity] hereby unconditionally and irrevocably guarantees the timely and complete performance by HCOC of all its obligations and covenants of the Agreement and the due and timely payment of all amounts owing to GWG as a result of any Claim pursuant to Section 12 of the Agreement, all as if the [Host City Government Entity] were the primary obligor with respect to each and all of such obligations. The [Host City Government Entity] represents and warrants that it will meet its obligations to underwrite and guarantee all of HCOC's obligations under the Agreement as provided herein. The [Host City Government Entity] represents and warrants that the execution and delivery of this guaranty by the [Host City Government Entity], and the performance by the [Host City Government Entity] of all of its obligations hereunder, have been duly authorized by all required action by or on behalf of the [Host City Government Entity], this guaranty has been duly executed and delivered by [Host City Government Entity], and this guaranty constitutes the legal, valid and binding obligation of the [Host City Government Entity] enforceable against the [Host City Government Entity] in accordance with its terms.

The [Host City Government Entity] hereby agrees that its obligations hereunder will be unconditional, irrespective of the validity or enforceability of the Agreement, the absence of any action to enforce the same, any waiver or consent by GWG concerning any provisions thereof, the rendering of any judgment against HCOC or any action to enforce the same, or any other circumstances that might otherwise constitute a legal or equitable discharge of a guarantor or a defense of a guarantor. This guaranty will continue to be effective if HCOC merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist.

The [Host City Government Entity] hereby waives diligence, presentment, protest, notice of protest, acceleration, and dishonor, filing of claims with a court in the event of insolvency or bankruptcy of HCOC, all demands whatsoever, and any right to require a proceeding first against HCOC.

IN WITNESS WHEREOF, the undersigned, a duly authorized representative of [Host City Government Entity], has hereby executed this guaranty as of this ____ day of _____, 2001.

AGREED AND ACCEPTED:

[HOST CITY GOVERNMENT ENTITY]

By: _____
Title: _____